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ABSTRACT

This report summarizes selected facts on the employment and economic status of the 55 and older household population of New York State in 1987. It is based on data from the Current Population Survey (CPS) conducted by the U.S. Bureau of the Census in March 1988. The report focuses on a profile of workers and nonworkers, primarily retirees, aged 55 and older. Separate profiles are presented for three older age cohorts--persons 55 to 59 years old, 60 to 64 years old, and 65 or older. Some of the highlights of the report are the following: (1) nearly 1.4 million persons 55 and older were active in the state's labor force in 1987, including more than 745,000 persons aged 60 and older and more than 291,000 persons aged 65 and older; (2) older persons who are employed are much less likely to be confronted with poverty and low income; (3) workers decreased from 73 percent of those aged 55-59 to 48 percent of those aged 60-64 to 13 percent of those aged 65 and over; (4) older workers of all ages generally are stable employees who remain with the same employers until they are voluntarily or involuntarily separated from their jobs; and (5) older workers were more likely to be men, to be married, to be the head of a family, and to have attended college. The report includes 21 charts and three appendixes that discuss age-related barriers to employment, list the source and limitations of the study data, and provide definitions of key terms. (KC)

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the Aging Workforce

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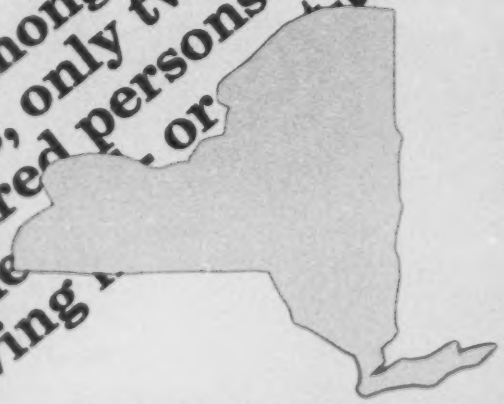
living



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The Aging Workforce

A Profile of the Employment and Economic Characteristics of New Yorkers 55 and Older

New York State Office for the Aging

Mario M. Cuomo, Governor **Jane G. Gould, Director**

prepared by

Deochand Persaud and David L. Sutton

Research & Analysis Unit
New York State Office for the Aging
1990

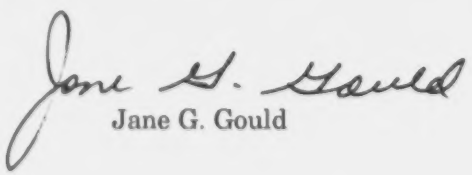
The aging of New York State's workforce is creating new challenges for employers and older workers alike. Older workers, rich in experience and job skills, offer a major resource to both public and private sector employers. For older workers, and retirees as well, employment offers increased economic security.

Expanding employment opportunities for older persons is a major way to improve the economic status of the elderly, as well as to lessen the impact of labor force shortages now emerging in many industries. Despite these obvious advantages, many older workers face age-related biases that severely curtail their chances for employment and economic independence.

A recent national study by the Secretary of Labor, *Labor Market Problems of Older Workers*, fully documents the many age-related barriers to employment which exist. These barriers result from age biases in employers' traditional training and hiring practices, and in employment disincentives in Social Security regulations, federal tax policies, and public and private pension provisions.

This report documents the often overlooked fact that, even in the face of current barriers, the 'elderly' as well as 'older workers' are an active and contributing segment of the labor force. Nearly 1.4 million persons 55 and older were active in the State's labor force in 1987, including over 745,000 persons 60 and older and more than 291,000 persons 65 and older. It also documents the simple fact that older persons who are employed, are much less likely to be confronted with poverty and low income. Only four out of one hundred persons 55 and older who were employed in 1987 were below the poverty level. Among the aged 60- and 65-plus, only two out of one hundred persons who worked, either full- or part-time, were living in poverty.

Now is the time for employers and government at all levels to reassess current policies on work and retirement. Employers who welcome the mature worker through age-neutral hiring, training and promotional practices will be rewarded with a stable, dependable and skilled work force.



Jane G. Gould

Contents

Introduction 1
Summary 2
Charts 8
Work Status "Last Year" 9
Job Characteristics 17
Economic Characteristics 21
Socio-Demographic Characteristics 27
Appendices 29

Introduction

This report summarizes selected facts on the employment and economic status of the 55 and older household population of NewYork State in 1987. It is based on data from the *Current Population Survey* (CPS) conducted by the U.S.Bureau of the Census in March 1988. All data presented in this report are exclusive of persons living in institutions and other group quarters, such as congregate homes.

The focus of this report is a profile of "workers" and "non-workers," primarily retirees, 55 and older. At age 55, older workers confronted by barriers to employment may become eligible for services under employment programs administered by the New York State Office for the Aging. Low income persons 55 or older are eligible for services under the Job Training Parnership Act and the Title V Senior Community Service Employment program of the Older Americans Act.

Separate profiles are presented throughout this report for three older age cohorts - persons 55 to 59 years old, 60 to 64 years old, and 65 or older. Each of these cohorts faces unique work force problems and is typically affected by different age-related barriers to employment.

"Workers" are defined in this report as persons who in March 1988 reported working "last year" for salaries or wages, or reported being self-employed. "Non-workers" comprise the rest of the population and reported they were not employed or self-employed at any time during the prior year.

Older New Yorkers who reported work force problems "last year" are only a small proportion of those who are affected by age-related barriers to employment. Those who are affected are much more likely to report generally "accepted" reasons for not working - home and family responsibilities, retirement, and illness and disability. Such "non-workers" include older women who have tried unsuccessfully to re-enter the labor force, displaced and unemployed workers discouraged by futile job searches, and retirees facing employment disincentives and limited opportunities.

The Summary presents highlights from the series of charts which comprise the body of this report. Age-related employment barriers which are only partially reflected in current work force statistics are described in Appendix A. The source and limitations of data, and definitions of key terms are given in Appendix B and Appendix C.

Summary

The 55 and older household population of New York State is diverse and inclusive of many different groups of older workers. Some continue to work well into old age, some have expectations about returning to work, and some continue to look for work beyond the general retirement age. Others work only part of the year because they become unemployed, or can not find a job and become 'discouraged' workers. Too often, those who do not work live in poverty.

This report begins to describe the many different groups of older persons who are in transition between employment and retirement. It profiles those 55 or older as a whole, and "workers" and "non-workers" in three age cohorts - 55-to-59, 60-to-64, and 65-plus. Selected highlights of these profiles are summarized below.

Highlights

Work Status "Last Year"

In March 1988, the aged 55-plus household population of New York State numbered an estimated 3,952,784 persons. Over 1.3 million (or 34 percent) reported working at a job some time during the prior year with 2.6 million (or 66 percent) reporting they had not been employed.

Of all persons 55 and older:

- 27 percent were employed full-time at their longest job during the year including 22 percent who worked full-time all year;

- 7 percent were employed part-time at their longest job;
- 43 percent reported not working last year because they were retired;
- 15 percent reported not working because they were taking care of their home or family; and,
- 8 percent reported not working because of illness or disability.

The work status of persons 55-plus differs among older age cohorts. With age, older workers increasingly reduce or sever their participation in the work force as they become eligible for retirement benefits and face barriers to continued or renewed employment.

In March 1988, the proportion of persons aged 55-to-59, 60-to-64 and 65-plus who worked "last year" declined with age while, as expected, the proportion who didn't work because they were retired increased. Among these age cohorts:

- "Workers" decreased from 73 percent of the aged 55-to-59, to 48 percent of the aged 60-to-64, and to only 13 percent of the aged 65-plus.
- Persons who reported they didn't work at all because they were retired increased from 5 percent of the aged 55-to-59, to 26 percent of the 60-to-64 age group, and to 65 percent of the aged 65-plus.

Employment Characteristics of Workers

Older workers of all ages generally are stable employees who remain with the same employer and in the same occupation until they are voluntarily or involuntarily separated from their jobs. Most or 95 percent of all persons aged 55-plus who worked "last year," worked for a single employer.

There are however distinct differences in the jobs held by the aged 65-plus and the two younger age cohorts of older workers. Workers aged 65-plus were more likely to be employed in part-time jobs, in low-skill retail and service jobs, and in jobs lacking pension coverage.

- Older workers whose longest job was part-time, increased from 15 percent of workers aged 55-to-59 to 36 percent of those aged 65-plus.

- Older workers in selected "other" occupations such as sales, security guards and other private household and protective services, increased from 12 percent of workers aged 55-to-59 to 20 percent of those aged 65-plus.
- Older workers with jobs covered by employer pension plans decreased from 60 percent of workers aged 55-to-59 to only 45 percent of those aged 65-plus.

Barriers to Employment

During 1987, a significant number of persons aged 55-plus reported experiencing unemployment, long job searches and inability to find desired jobs that, as other research has shown, can result from age-related barriers to employment.

- Over 70,000 older workers reported being unemployed during the year including many who continued to seek work and others who were 'discouraged' and did not actively seek employment.
- Close to 84,000 persons aged 55-plus actively sought a job either due to unemployment or in an attempt to re-enter the work force.
- More than 24,000 of those who reported seeking a job, looked for six months or more to find one.
- More than 19,000 of those who did work reported they could only find part-time work.

  Over 10,000 of those who didn't work reported they couldn't find a job.

In addition, indicators of age-related barriers were found to increase with age. As the number of workers dropped dramatically among older age cohorts, those who did work were more likely to have difficulty in retaining and finding jobs.<B2>Older workers who reported being unemployed increased from 3 percent of those aged 55-to-59 to 8 percent of workers aged 65-plus.

Older workers who reported actively seeking jobs similarly increased from 3 percent of those aged 55-to-59 to 8 percent of those aged 65-plus.

Older workers who spent six months or more looking for a job increased from 4 percent of the aged 55-to-59 who had not worked the full year to 10 percent of those aged 65-plus.

Other indicators were found to reflect differences in the problems faced by the three age cohorts. Among older workers who worked at part-time jobs during the year:

- the aged 55-to-59 cohort was the most likely to report they could only find part-time work -- 9 percent compared to 4 percent of other cohorts;
- the aged 60-to-64 cohort was the most likely to report working at a part-time job because of slack work or material shortages -- 21 percent compared to 5 percent of other cohorts; and,
- the aged 65-plus, the cohort most affected by institutional employment disincentives, was the most likely to report working at a part-time job because they could only work or wanted to work part-time -- 85 percent compared to 68 percent or less of other cohorts.

Economic Characteristics

Dramatic differences exist between the economic status of older workers and "non-workers" aged 55-plus. These differences, measured in terms of annual personal income and the prevalence of poverty, are directly related to earnings as a significant and often primary source of income for workers. "Non-workers," with no income from earnings, are dependent on their retirement income, primarily Social Security, and other "non-earnings" including Supplemental Security Income (SSI), Workers' Compensation, Unemployment Insurance, Veterans' Benefits and other government transfer payments.

All older workers in 1987 had income from earnings, either salary/wages or self-employment income. Most or 59 percent had other sources of income as well. In total, they had a median personal income of $22,760.

Of all workers 55 and older:

- 35 percent had annual incomes of at least $30,000;
- only 16 percent had incomes of less than $10,000; and,
- **Only** 6 percent were living in poverty (3 percent) or marginal poverty (3 percent).

"Non-workers" 55 and older had no income from earnings. Most or 73 percent received Social Security benefits including 22 percent who had no other source of income. Their median income from all sources was only $6,715.Of all "non-workers" 55 or older:

- only 4 percent had annual incomes of $30,000 or more; 69 percent had incomes of less than $10,000; and,
- **One-in-three** or 34 percent were living in poverty (18 percent) or marginal poverty (16 percent).

Irrespective of age, older workers had much higher incomes and much lower poverty rates than "non-workers." Among the aged 55-to-59, 60-to-64 and 65-plus cohorts:

- The median income of workers ranged from $20,294 to $23,735 - in comparison to $2,033 to $7,292 for "non-workers."
- The proportion of workers with incomes of $30,000 or more ranged from 32 to 39 percent - in comparison to only 3 to 4 percent for "non-workers."
- The proportion of workers with incomes of less than $10,000 a year ranged from 14 to 17 percent -- in comparison to 67 to 85 percent for "non-workers."
- The rate of poverty and marginal poverty for workers ranged only from 4 to 7 percent - in comparison to 34 percent for each "non-worker" age cohort.

There was a total of 956,000 persons aged 55-plus living in poverty or marginal poverty in 1987. Only 77,000 (or 8 percent) of these persons had been employed during the year while 879,000 (or 92 percent) had not.

Socio-Demographic Characteristics

Selected social and demographic characteristics of workers and "non-workers" 55 or older (including age, sex, education, marital status and living arrangements) generally reflect differences associated with younger and older persons within the aged 55-plus population.

Most older workers in 1987 were 55 to 64 years old, although a significant number were 65 or older. Older workers,

being younger than "non-workers," were more likely to be men, to be married, to be the head of a family, and to have attended college.

Of those persons who had worked:

- 78 percent were 55 to 64 years old, while over 290,000 or 22 percent - including 8 percent aged 70-plus - were 55 or older;
- 74 percent were currently married;
- 57 percent were men;
- 52 percent were the head of a family household, living with their spouse or other relatives; and,
- 35 percent, in comparison to 16 percent of "non-workers," had attended college.
- Finally, there was relatively little difference in the minority composition of older workers and "non-workers." White non-Hispanic persons comprised 80-to-83 percent of each group.

Charts

1 to 8. Work Status of the Aged 55-Plus In 1987

1. Persons 55-Plus by Longest Job and Reason Didn't Work "Last Year"
2. Age Cohorts of Persons 55-Plus by Longest Job and Reason Didn't Work
3. Workers 55-Plus by Longest Job "Last Year" by Age
4. "Non-Workers" 55-Plus by Reason Didn't Work by Age
5. Part-Year Workers by Reason Worked Part-Year and Weeks Seeking Job
6. Age Cohorts of Part-Year Workers by Reason and Weeks Seeking Job
7. Part-Time Workers by Duration and Reason Worked at Part-Time Job
8. Age Cohorts of Part-Time Workers by Duration and Reason

9 to 14. Job Characteristics of Older Workers

9. Workers 55-Plus by Occupation in Longest Job "Last Year"
10. Worker Age Cohorts by Occupation in Longest Job
11. Workers by # OF Employers "Last Year" by Age
12. Workers by Employer Pension Plan Coverage in Longest Job by Age
13. Workers by Class of Employer in Longest Job by Age
14. Workers by Income From Salary/Wages "Last Year" by Age

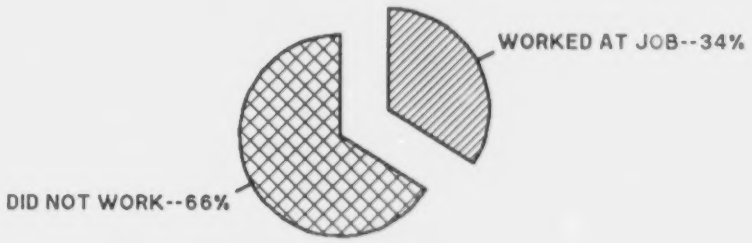
15 to 20. Economic Characteristics of Workers and "Non Workers"

15 and 16. Amount of Personal Income "Last Year" by Age
17 and 18. Sources of Personal Income "Last Year" by Age
19 and 20. Poverty Status "Last Year" by age
21. Socio-Demographic Characteristics of Workers and "Non-Workers"

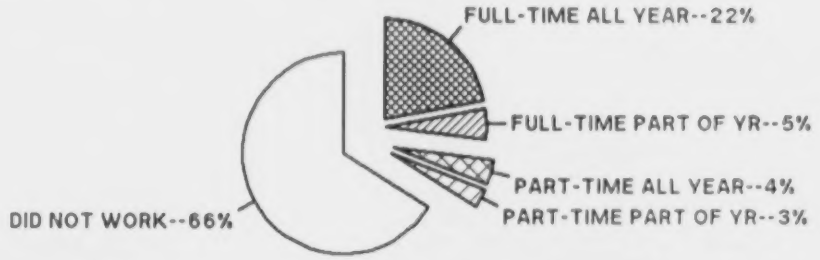
PERSONS 55-PLUS* BY WORK STATUS LAST YEAR

100% = 3,952,784 PERSONS* AGED 55–PLUS

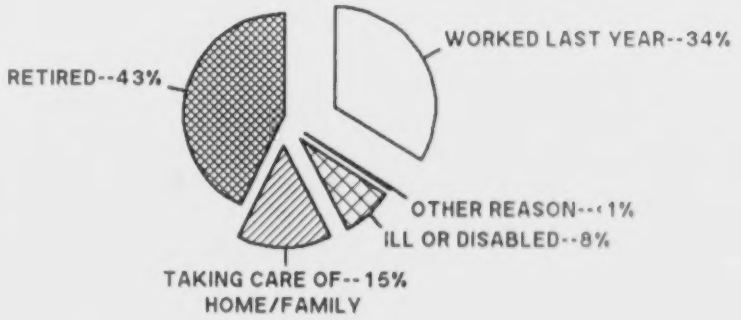
Worked Any Time Last Year



Status of Longest Job Last Year

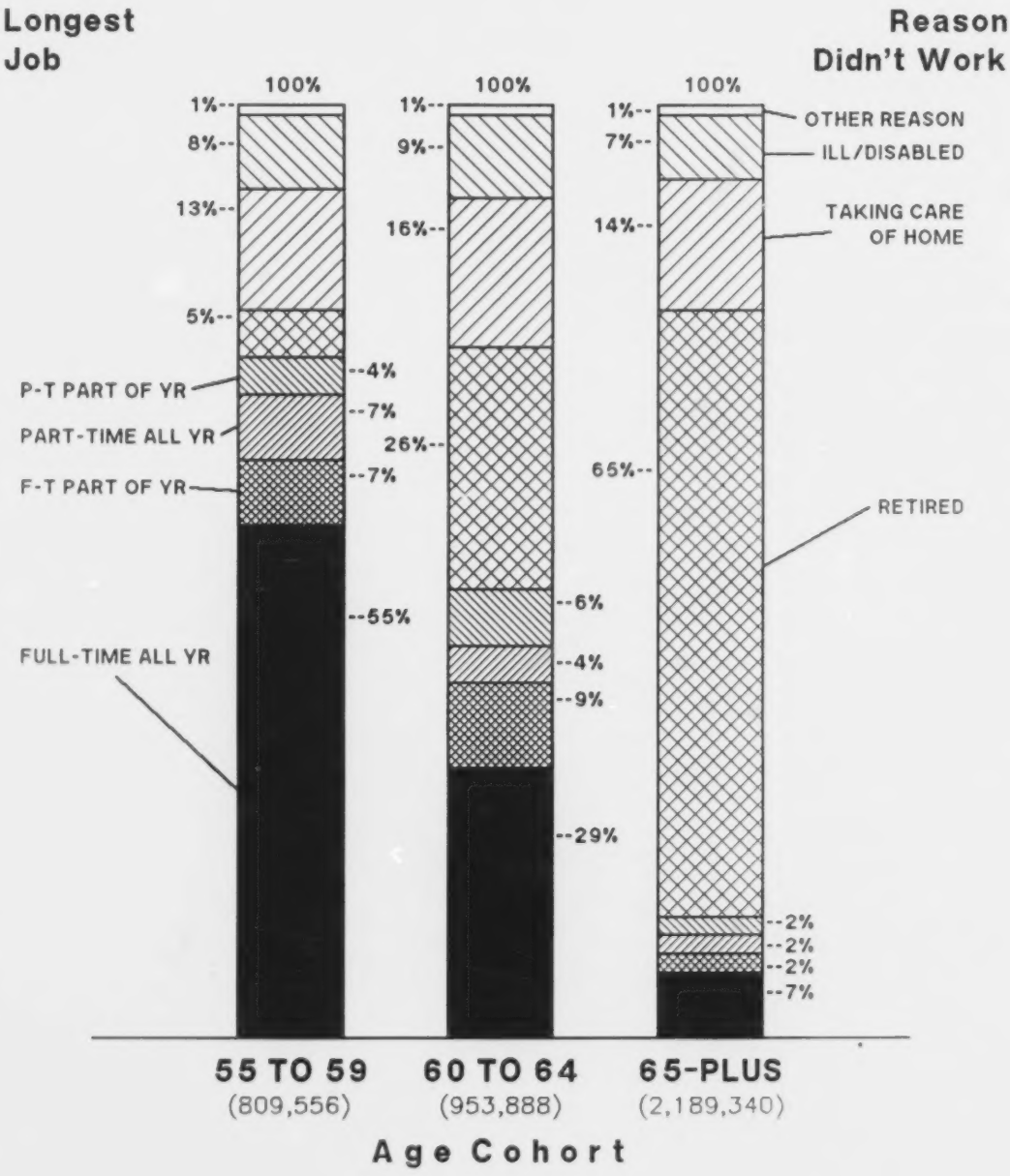


Reason Didn't Work Last Year



* HOUSEHOLD POPULATION EXCLUSIVE OF PERSONS IN INSTITUTIONS AND GROUP QUARTERS.

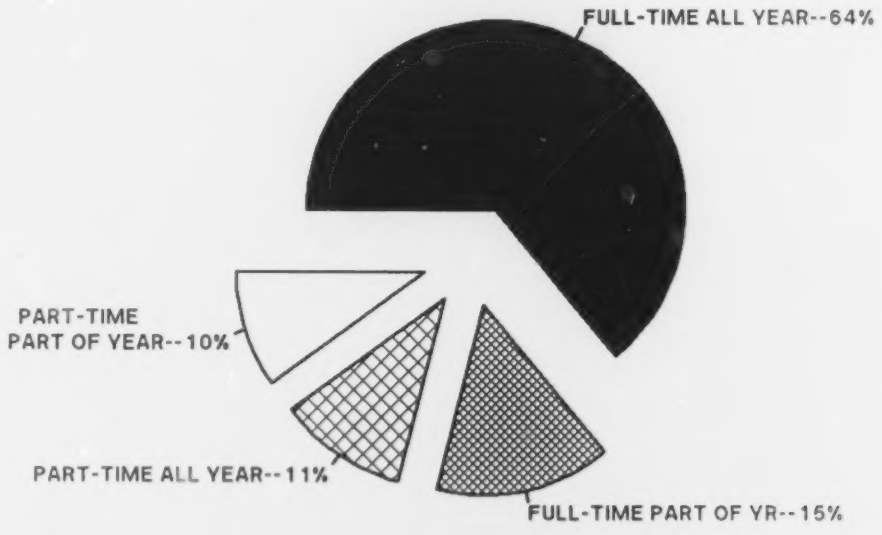
AGE COHORTS OF PERSONS 55-PLUS* BY WORK STATUS LAST YEAR

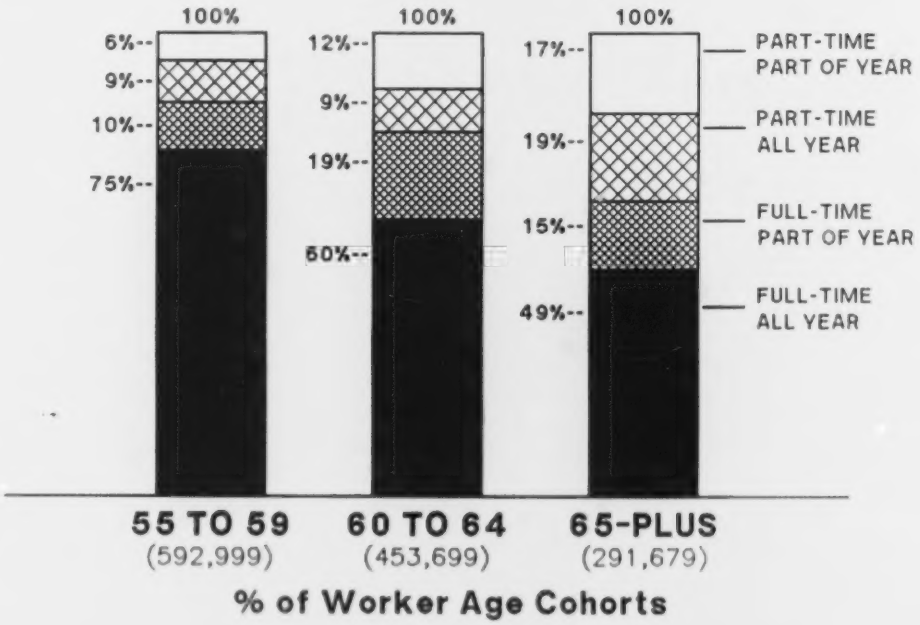


* HOUSEHOLD POPULATION EXCLUSIVE OF PERSONS IN INSTITUTIONS AND GROUP QUARTERS.

OLDER WORKERS* BY STATUS OF LONGEST JOB LAST YEAR

100% = 1,338,377 WORKERS 55–PLUS

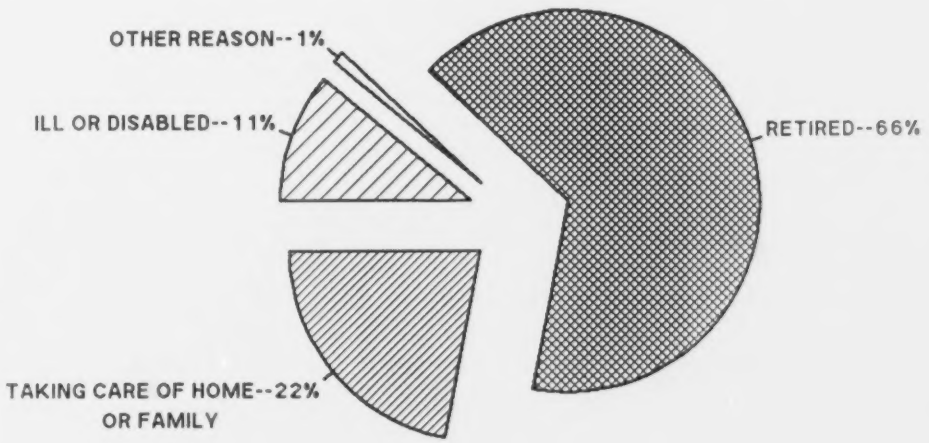


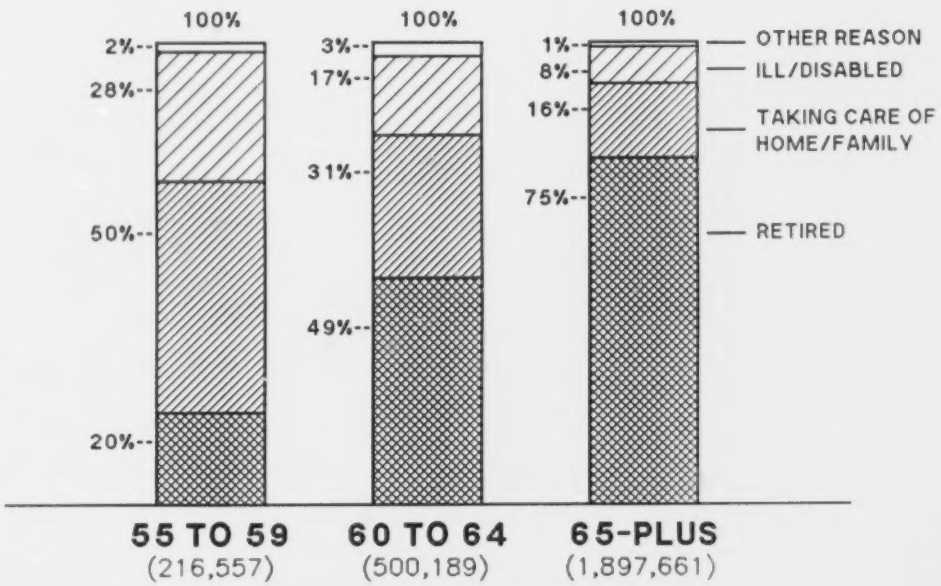


* PERSONS AGED 55–PLUS WHO WORKED AT A JOB "LAST YEAR."

"NON-WORKERS"* BY REASON DIDN'T WORK LAST YEAR

100% = 2,614,407 "NON-WORKERS" 55-PLUS





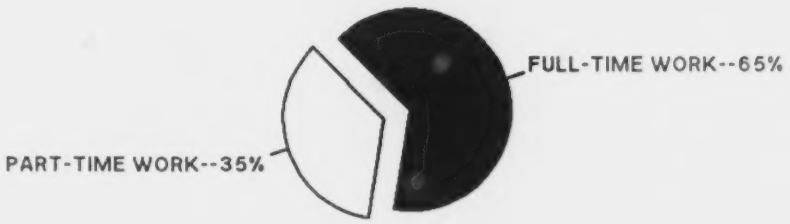
% of "Non-Worker" Age Cohorts

* PERSONS AGED 55-PLUS WHO DID NOT WORK AT A JOB "LAST YEAR."

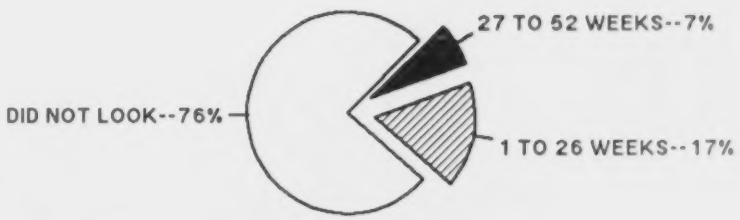
PART-YEAR WORKERS* BY WORK STATUS LAST YEAR

100% = 326,459 PART-YEAR WORKERS 55-PLUS

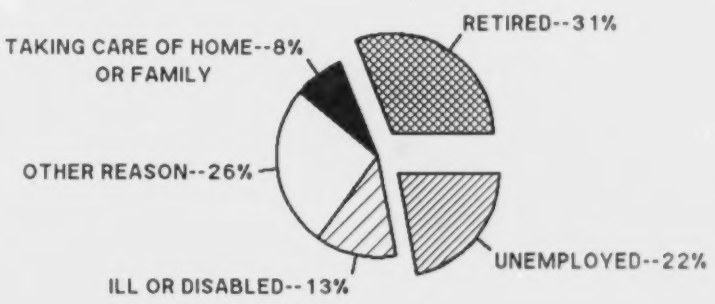
Full-/Part-Time Status of Longest Job



Weeks Looked for Work Last Year

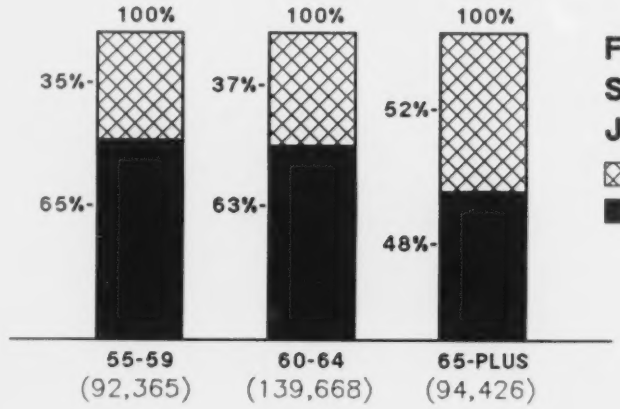


Reason Didn't Work Full Year



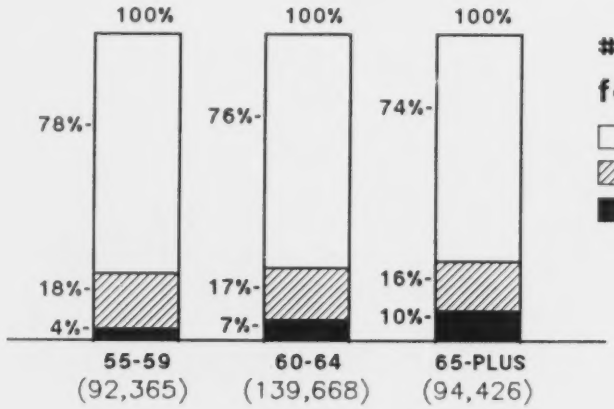
* OLDER WORKERS WHOSE LONGEST JOB "LAST YEAR" LASTED LESS THAN 50 WEEKS.

PERCENT OF PART-YEAR WORKER* AGE COHORTS



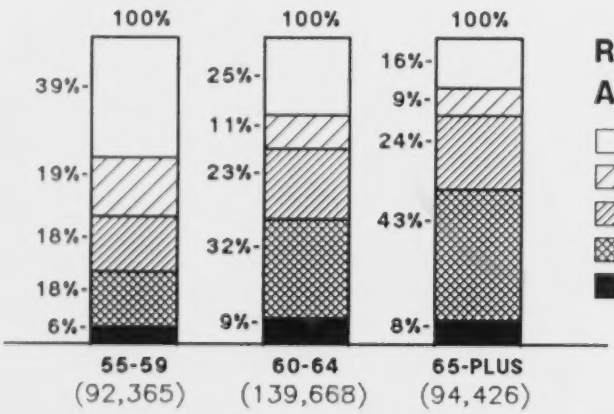
Full-/Part-Time Status of Longest Job Last Year

- PART-TIME
- FULL-TIME



# of Weeks Looked for Work Last Year

- DID NOT LOOK
- 1 TO 26 WEEKS
- 27 TO 52 WEEKS



Reason Didn't Work A Full Year

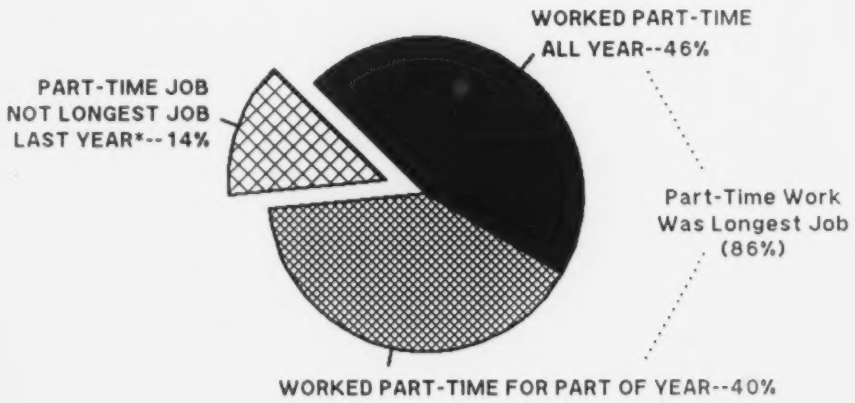
- OTHER REASON
- ILL/DISABLED
- UNEMPLOYED
- RETIRED
- TAKING CARE OF HOME

* OLDER WORKERS WHOSE LONGEST JOB "LAST YEAR" LASTED LESS THAN 50 WEEKS.

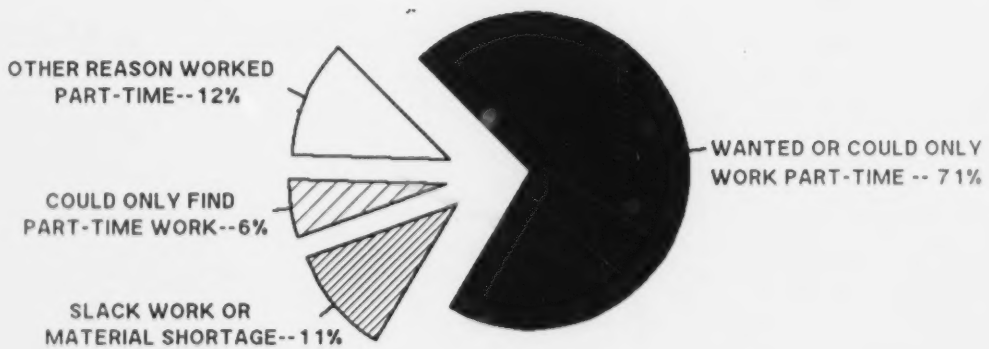
PART-TIME WORKERS* BY WORK STATUS LAST YEAR

100% = 333,567 PART-TIME WORKERS 55-PLUS

Duration of Part-Time Work

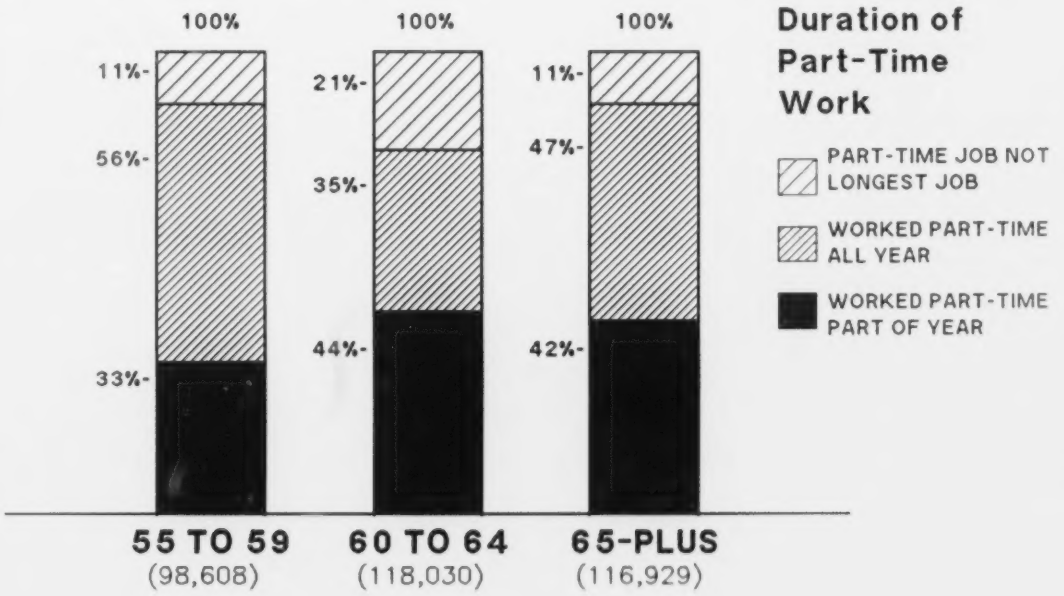

WORKED PART-TIME ALL YEAR--46%
PART-TIME JOB NOT LONGEST JOB LAST YEAR*--14%
Part-Time Work Was Longest Job (86%)
WORKED PART-TIME FOR PART OF YEAR--40%

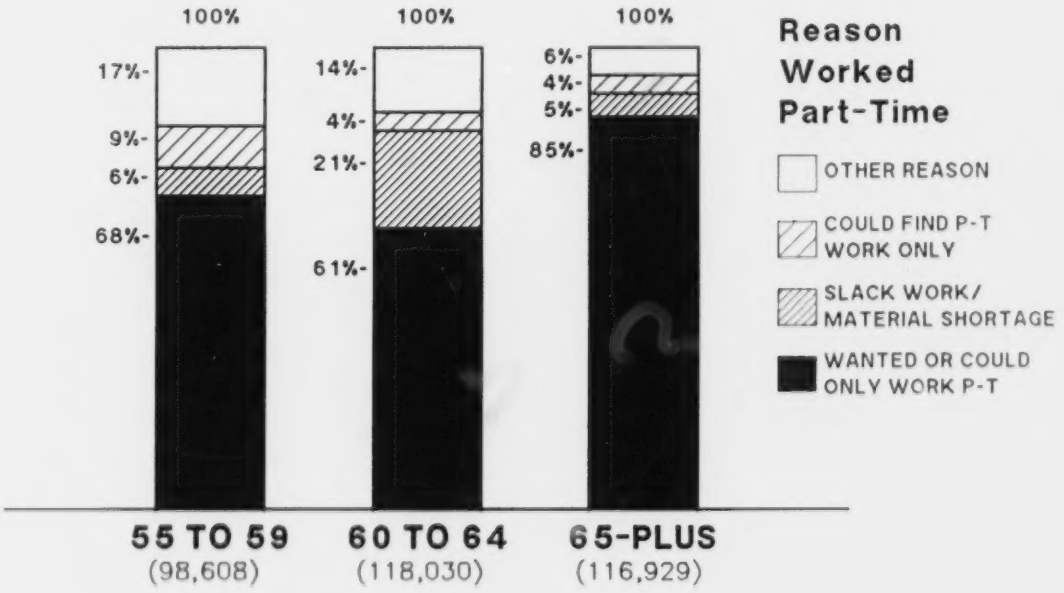
Reason Worked at Part-Time Job


OTHER REASON WORKED PART-TIME--12%
COULD ONLY FIND PART-TIME WORK--6%
SLACK WORK OR MATERIAL SHORTAGE--11%
WANTED OR COULD ONLY WORK PART-TIME -- 71%

* INCLUDES WORKERS WHOSE LONGEST JOB LAST YEAR WAS FULL-TIME, BUT WHO ALSO WORKED AT PART-TIME JOB DURING THE YEAR.

PERCENT OF PART-TIME WORKER* AGE COHORTS

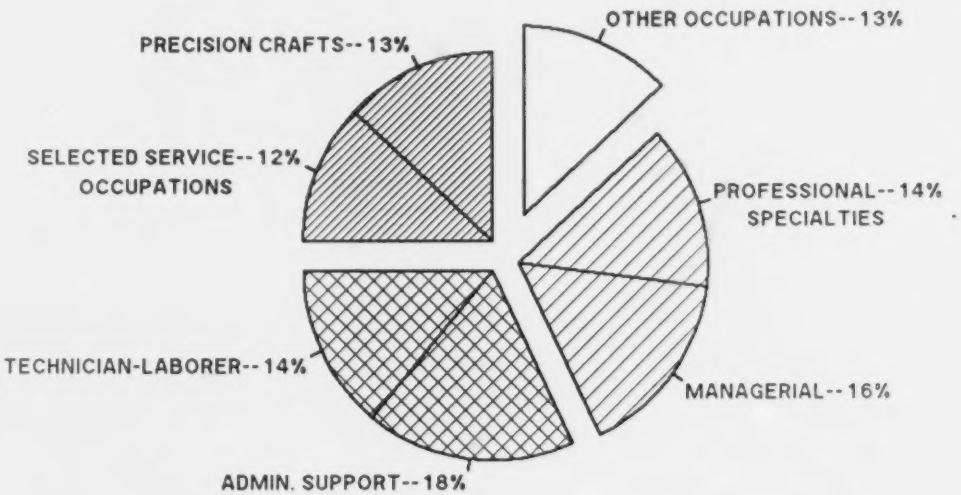




* INCLUDES WORKERS WHOSE LONGEST JOB LAST YEAR WAS FULL-TIME, BUT WHO ALSO WORKED AT PART-TIME JOB DURING THE YEAR.

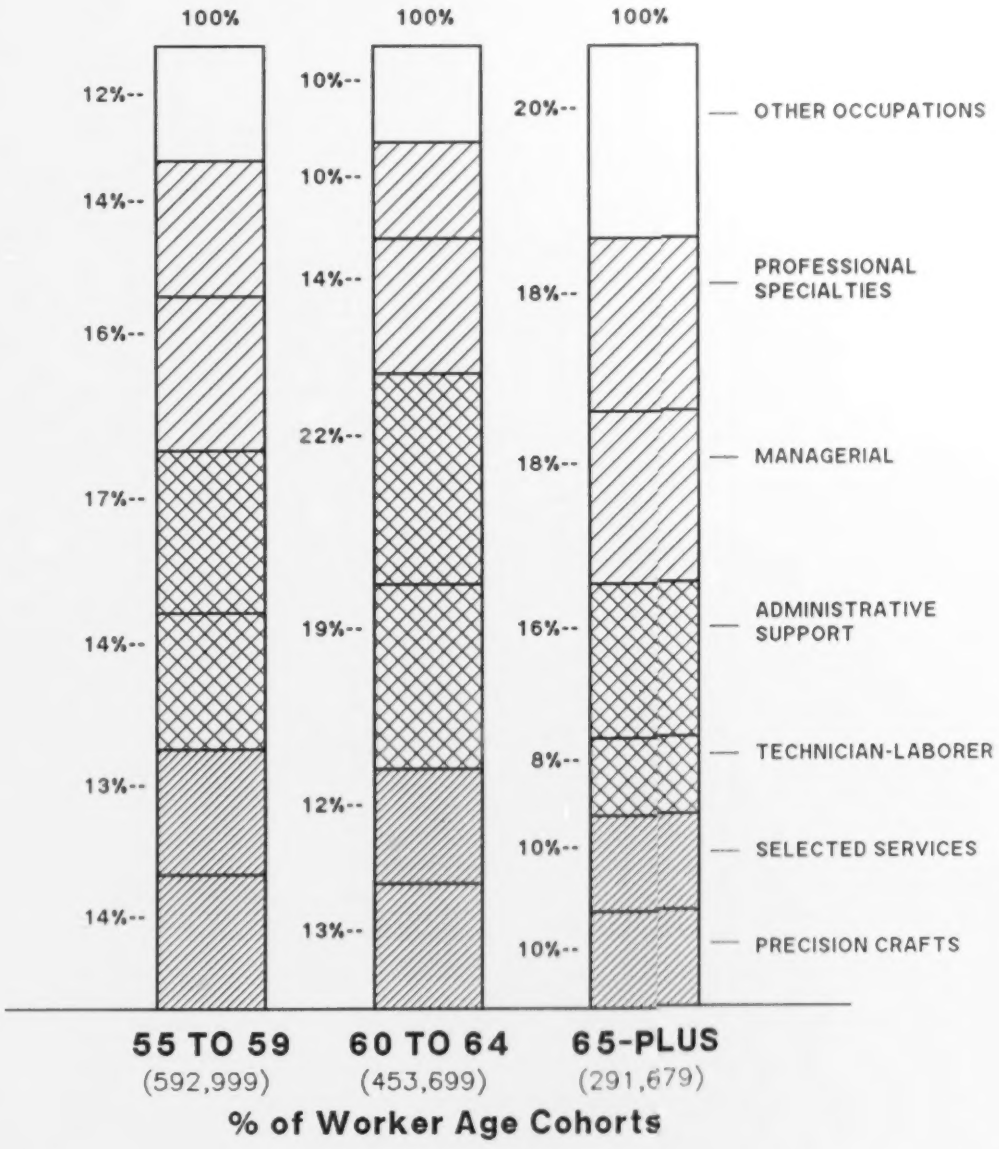
OCCUPATION OF OLDER WORKERS IN LONGEST JOB LAST YEAR

100% = 1,338,377 WORKERS 55–PLUS



- PRECISION CRAFTS: Include mechanics, machinery repairers, electrical/electronic equipment repairers, telephone installers, construction trades (carpenter, etc.), and other crafts.
- SELECTED SERVICE OCCUPATIONS: Include service occupations (except household and protective) such as cooks, waiters, janitors, health service occupations, barbers, etc.
- TECHNICIAN-LABORER: Includes a) technical occupations such as health technicians, engineering technicians, airplane pilots, etc. and, b) operators, fabricators and laborers such as metal work machine operators, printing machine operators, welders, motor vehicle operators, construction laborers, etc.
- ADMINISTRATIVE SUPPORT: Includes secretaries, clerical, computer operators, hotel clerks, bookkeepers, bank tellers, etc.
- MANAGERIAL: Includes legislators, chief executives, and other executive, administrative, and managerial occupations.
- PROFESSIONAL SPECIALTIES: Includes physicians, engineers, dentists, scientists, teachers, nurses, lawyers, entertainers, etc.
- OTHER OCCUPATIONS: Includes sales occupations (sales workers, etc) private household and protective service occupations (butlers, security guards, police and firemen, etc.), and farm, forestry and fishing occupations.

WORKER AGE COHORTS BY OCCUPATION* IN LONGEST JOB LAST YEAR



* SEE CHART 9 FOR SPECIFIC EXAMPLES OF OCCUPATIONS IN EACH CATEGORY.

CHART 11. JOB CHARACTERISTICS

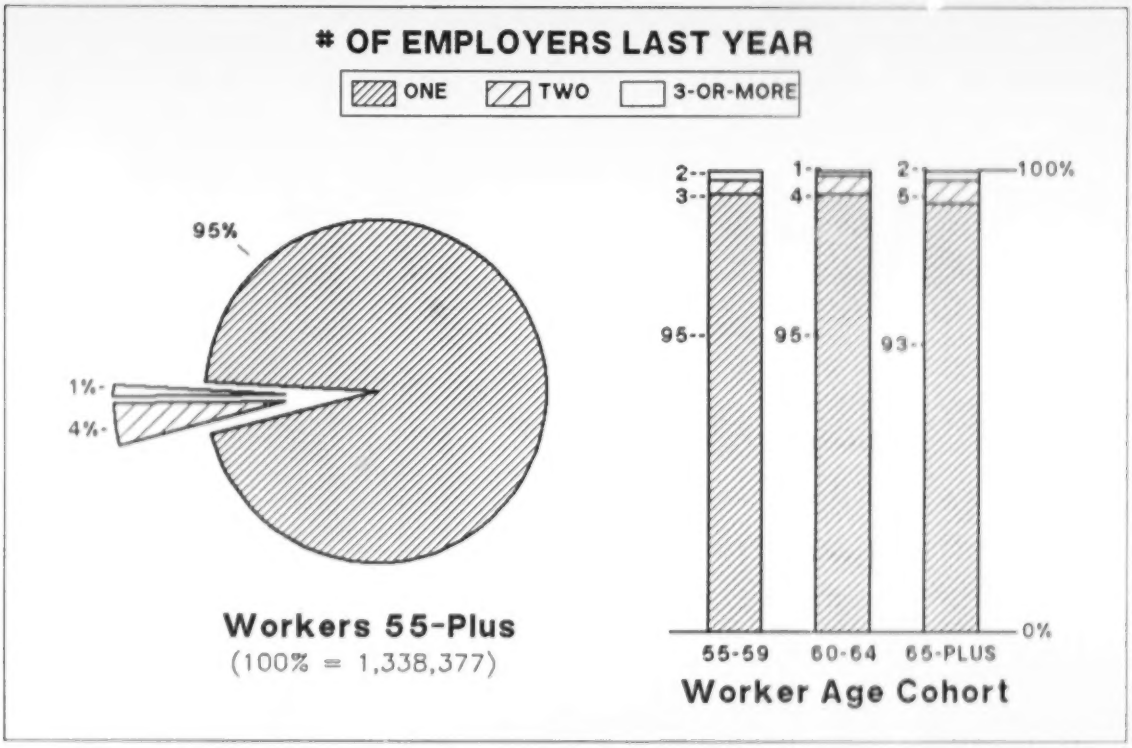


CHART 12. JOB CHARACTERISTICS

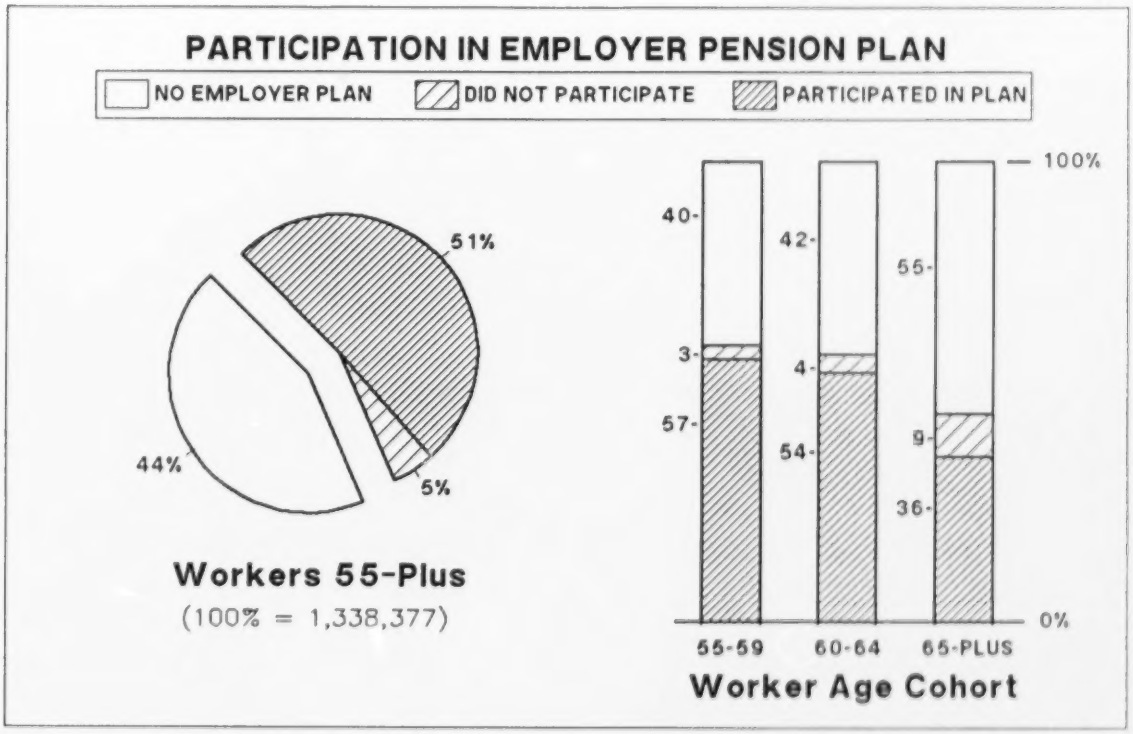


CHART 13. JOB CHARACTERISTICS

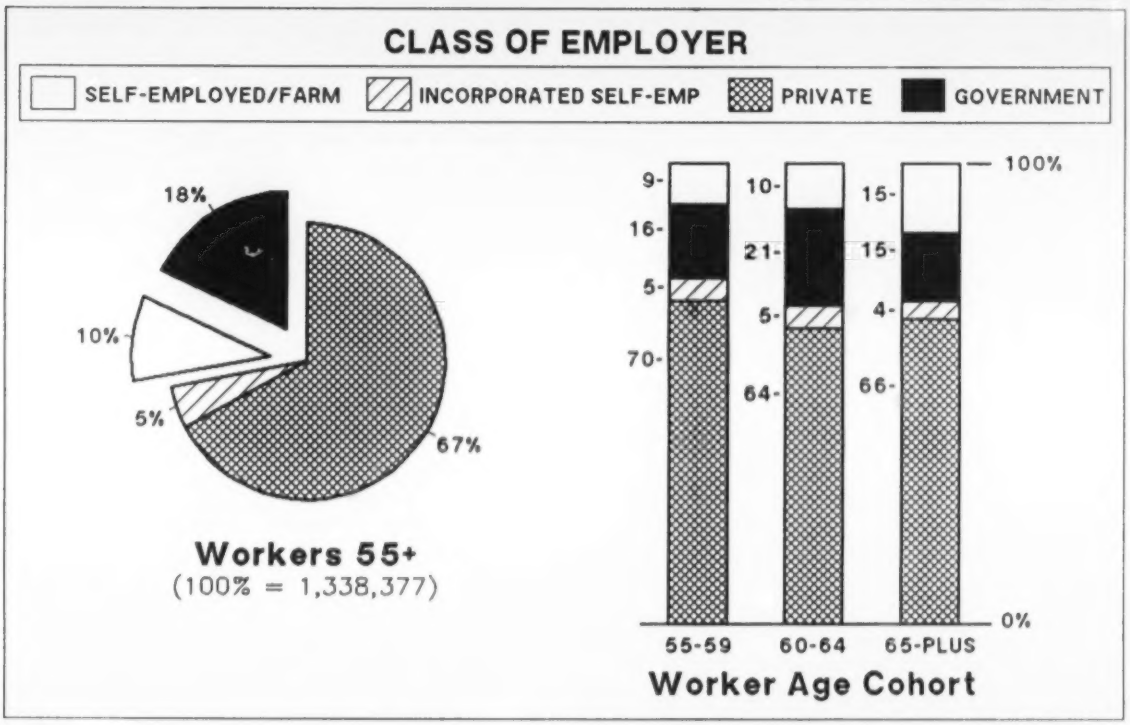
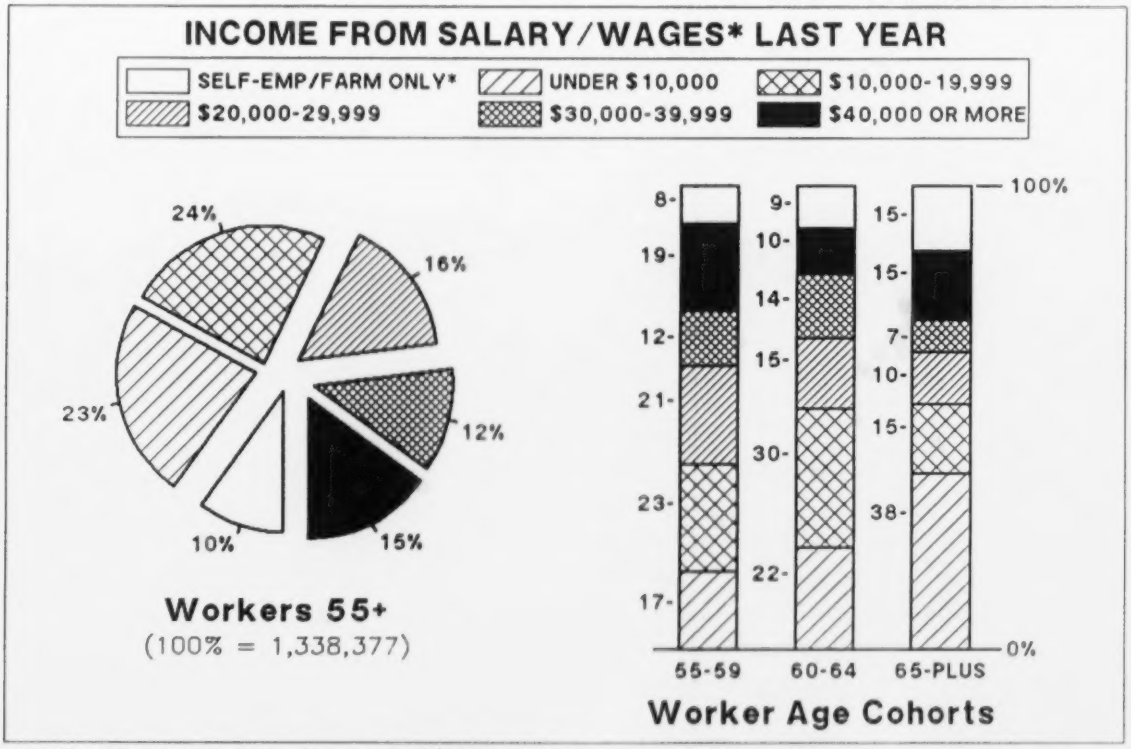
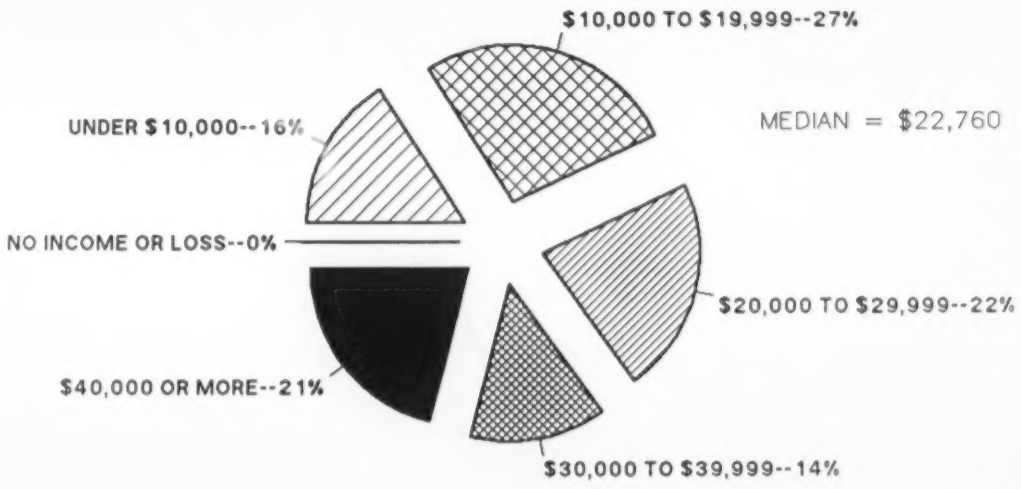


CHART 14. JOB CHARACTERISTICS

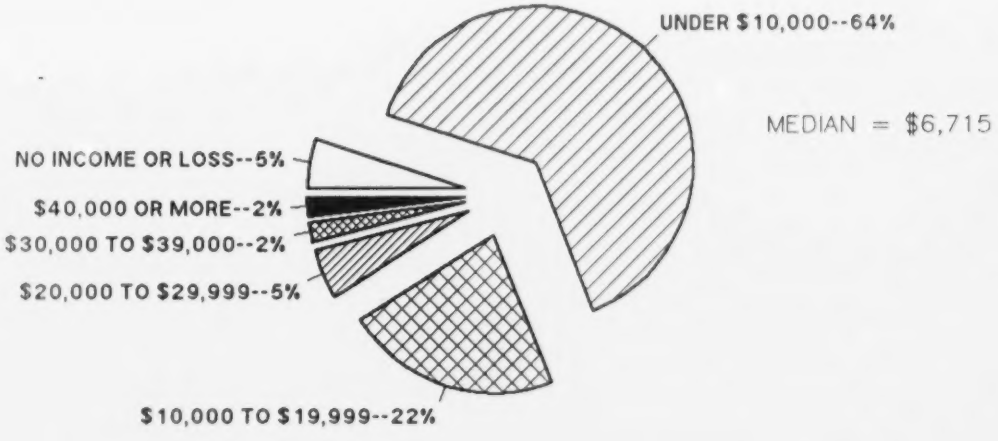


* DOES NOT INCLUDE SELF-EMPLOYMENT/FARM INCOME.

AMOUNT OF PERSONAL INCOME LAST YEAR

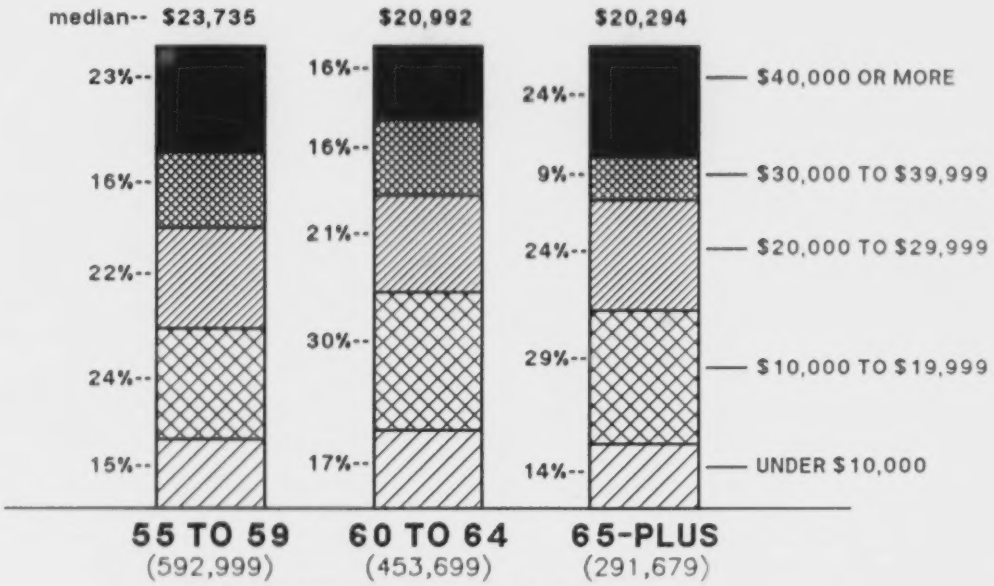


Workers 55-Plus
(100% = 1,338,377)

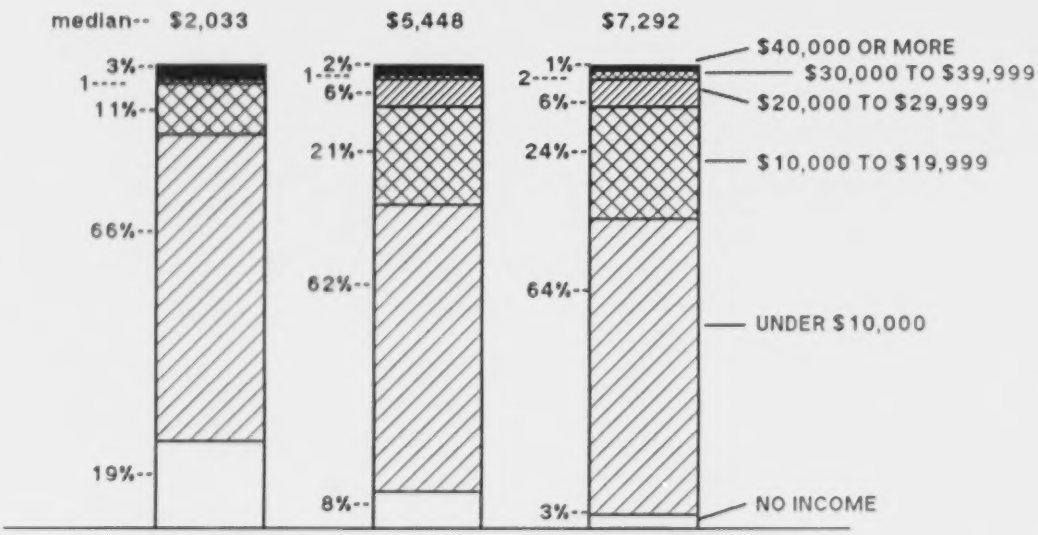


"Non-Workers" 55-Plus
(100% = 2,614,407)

AGE COHORTS BY AMOUNT OF INCOME

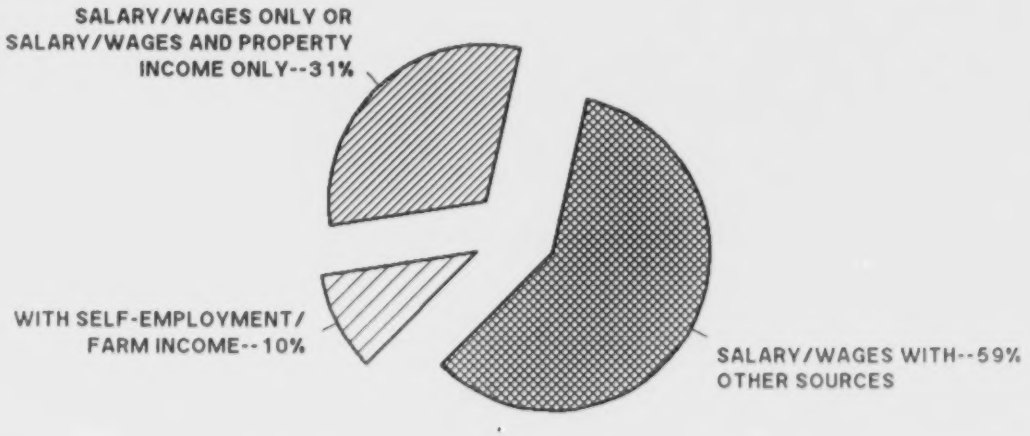


% of Worker Age Cohorts

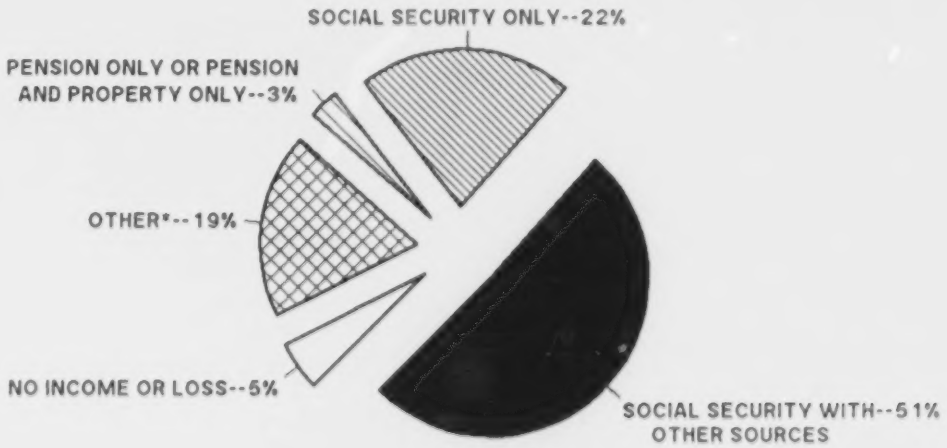


% of "Non-Worker" Age Cohorts

SOURCES OF PERSONAL INCOME LAST YEAR


SALARY/WAGES ONLY OR SALARY/WAGES AND PROPERTY INCOME ONLY--31%
WITH SELF-EMPLOYMENT/ FARM INCOME--10%
SALARY/WAGES WITH--59% OTHER SOURCES

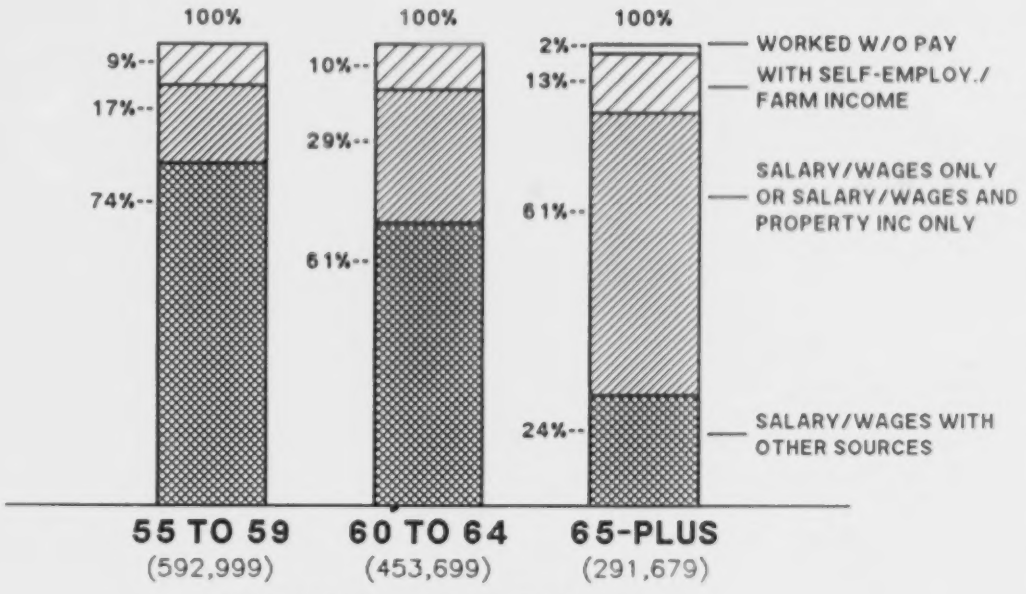
Workers 55-Plus
(100% = 1,338,377)


SOCIAL SECURITY ONLY--22%
PENSION ONLY OR PENSION AND PROPERTY ONLY--3%
OTHER*--19%
NO INCOME OR LOSS--5%
SOCIAL SECURITY WITH--51% OTHER SOURCES

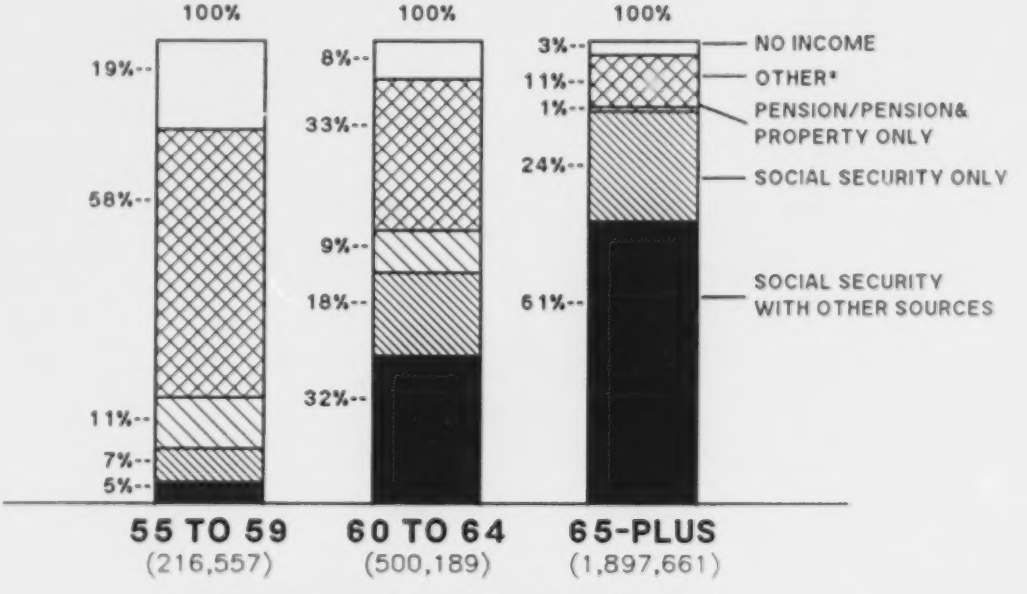
"Non-Workers" 55-Plus
(100% = 2,614,407)

* INCLUDES WORKERS' COMPENSATION, UNEMPLOYMENT, VETERANS' PAYMENTS, SSI, OR OTHER UNSPECIFIED COMBINATION, BUT NO EARNINGS AND NO SOCIAL SECURITY.

AGE COHORTS BY SOURCES OF INCOME



% of Worker Age Cohorts

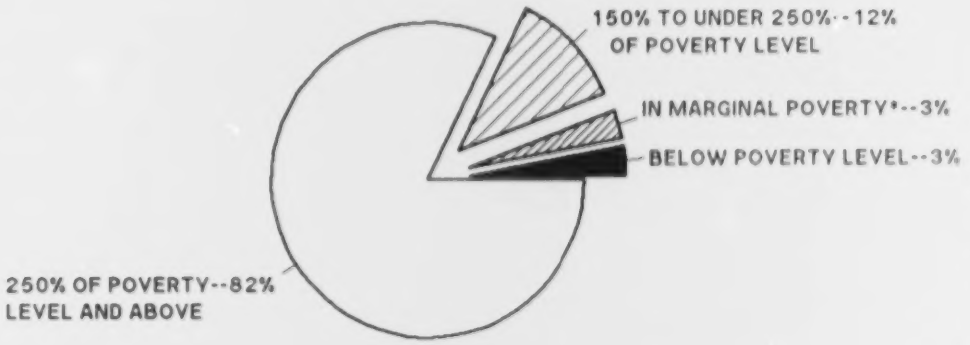


% of "Non-Worker" Age Cohorts

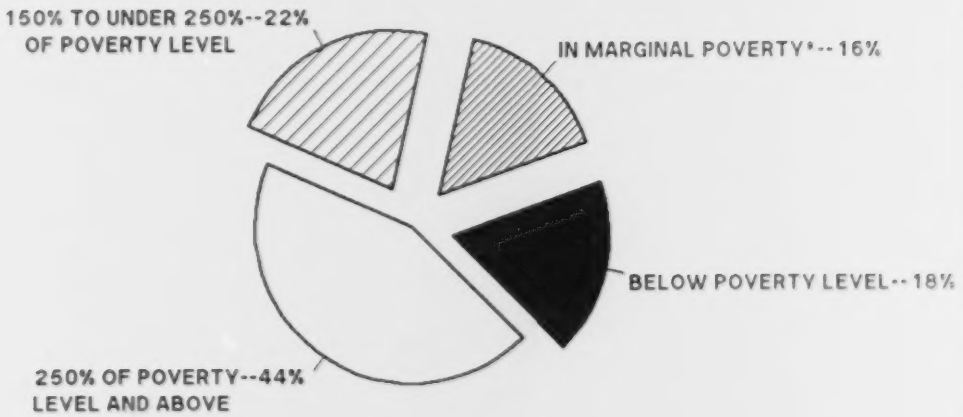
* INCLUDES OTHER COMBINATIONS EXCLUSIVE OF EARNINGS AND SOCIAL SECURITY.

POVERTY STATUS LAST YEAR

POVERTY LEVELS FOR 1-PERSON FAMILY
Person Under 65: 100% = $5,909; 150% = $8,864; 250% = $14,773
Person Aged 65+: 100% = $5,447; 150% = $8,171; 250% = $13,618



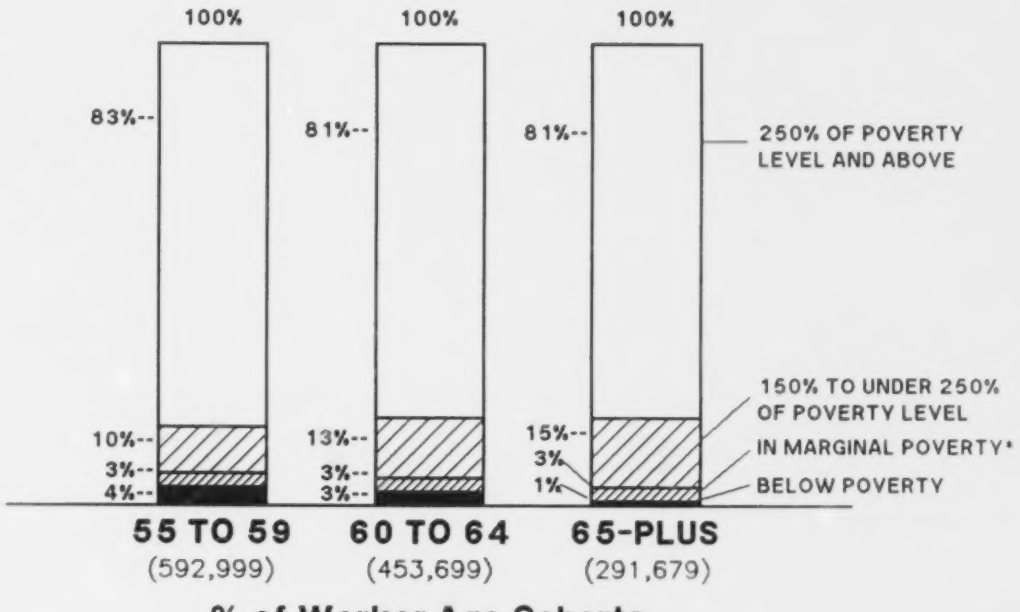
Workers 55-Plus
(100% = 1,338,377)



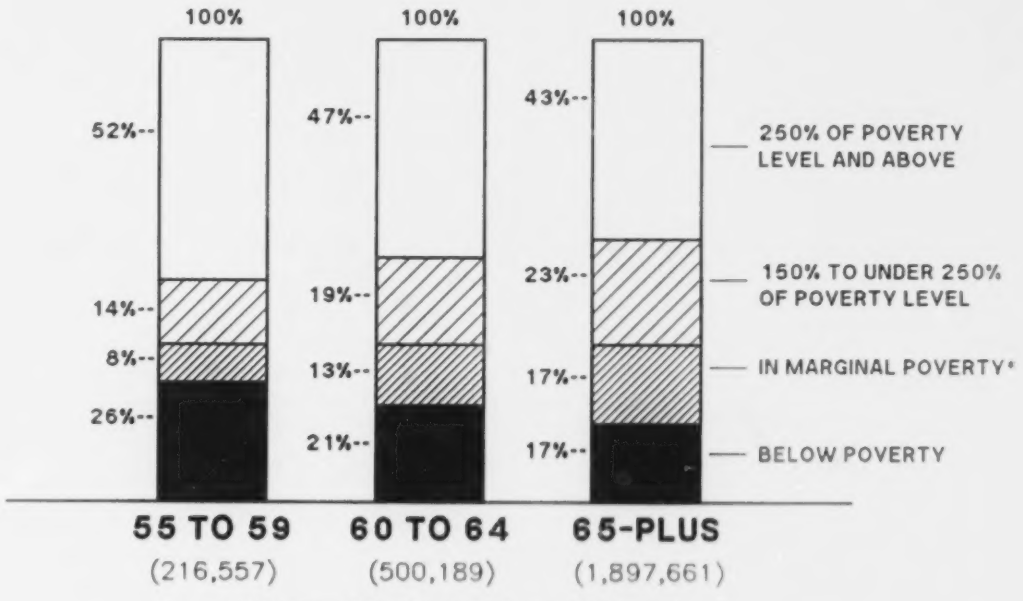
"Non-Workers" 55-Plus
(100% = 2,614,407)

* MARGINAL POVERTY IS DEFINED AS 100% TO LESS THAN 150% OF THE POVERTY LEVEL.

AGE COHORTS BY POVERTY STATUS LAST YEAR



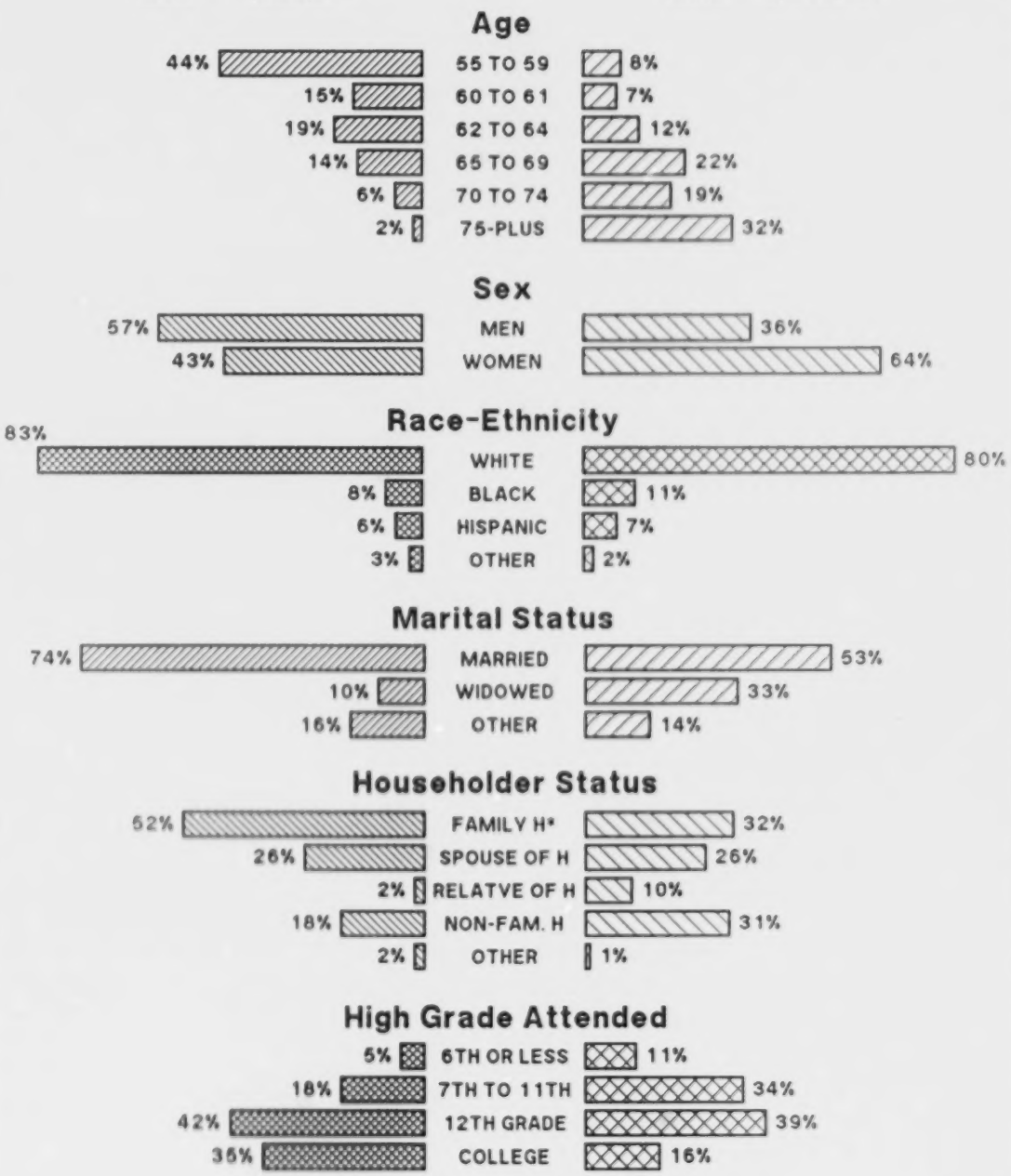
% of Worker Age Cohorts



% of "Non-Worker" Age Cohorts

* MARGINAL POVERTY IS DEFINED AS 100% TO LESS THAN 150% OF THE POVERTY LEVEL.

SOCIO-DEMOGRAPHIC CHARACTERISTICS



* "H" = HOUSEHOLDER.

Appendices

A. Employment Barriers Affecting Older Persons
B. Sources and Limitations of Data
C. Definitions

Appendix A. Employment Barriers Affecting Older Persons

All older persons are confronted at some point by age-related barriers to employment. Many accept available retirement incentives and voluntarily make the decision to retire from the labor force. Barriers previously experienced are left behind, and the new institutional barriers affecting the retiree become accepted as part of retirement.

This "accepted" and, for many, desired transition and adjustment to retirement makes it impossible to measure the full extent andseriousness of age-related employment barriers. While everyone is affected, only a relatively small number of older persons, at any one point in time, can be identified as being seriously and negatively affected.

Age-related barriers are pervasive and affect workers during pre-retirement years, shape the retirement decision, and impact on the economic status of retirees.

At pre-retirement age, older workers become vulnerable to displacement, losing their job as a result of plant closings, slack work, outdated skills or the abolition of their job. As unemployed workers, they typically must look much longer for a job which can easily discourage further job seeking. Throughout they are vulnerable to employers' age biases in training and hiring decisions.

Older workers who are drawn into premature retirement by Early Retirement Incentive Plans often find further job opportunities limited in pay and satisfaction. Similarly, older women who seek to re-enter the labor force after a period of absence often face occupational segregation in low paying jobs.

At retirement age, older workers typically do not have the option of phased retirement with continued employment opportunities. Retirement is an 'all-or-nothing' decision which is shaped by institutional retirement incentives and employment disincentives.

Once retired, earnings penalties and disincentives in Social Security regulations, federal tax policies and private pension provisions make traditional job opportunities of questionable value to retirees wishing to re-enter the labor force. Upon seeking a job, the retiree is further faced by occupational segregation in low paying jobs which hold little relationship to their lifelong work history.

A partial listing of age-related barriers is provided below. A fuller description of these and other barriers may be found in "Labor Market Problems of Older Workers: Report of the Secretary of Labor," published by the Office of Current Employment Analysis, U.S.Bureau of Labor Statistics, January 1989.

Age-Related Barriers to Employment

- Age biases in employers' training, hiring and personnel cutback decisions.
- Displacement of older workers who lose their job as a result of plant closings, slack work, or the abolition of their job.
- Occupational segregation of older women, and retirees, in low paying jobs when they seek to re-enter the labor force after a period of absence.
- Unemployment, coupled with long and often futile job searches that create the hidden unemployment of the discouraged worker.
- Use of Early Retirement Incentive Plans without adequatepre-retirement counseling and planning.
- The current 'all-or-nothing' retirement decision without options for phased retirement and continued employment.
- Institutional employment disincentives and earnings penalties in Social Security regulations, federal tax policies and private pension provisions.
- Rigid job structuring which is unresponsive to the job needs and capabilities of retirees.

Appendix B. Sources and Limitations of Data

This report, *The Aging Work Force*, is based on data for the aged 55-plus household population of New York State from the March 1988 *Current Population Survey* (CPS) by the U.S. Bureau of the Census. The data was collected for a household probability sample, representative of New York State's non-institutional population, inclusive of persons living in non-institutional group quarters who have been excluded from data presented in this report. Members of the Armed Forces were included in the sample only if they lived off base, or with families in separate housing units on base.

The CPS is primarily designed to collect employment and related economic data on households, "family-units," and persons living in households. It also collects selected demographic and housing information necessary for identifying various subpopulations.

All information from the 1988 CPS describing the characteristics of the population and subpopulations, including age, references the population as of March 1988. All information on income and "last year" work status is reported for 1987, *i.e.*, the twelve months prior to the time of the CPS interview in March 1988.

All information collected in the CPS is reported for persons 15 years of age and older. Characteristics such as age, race and sex are collected and reported for persons of all ages. However, children under 15 years old who are unrelated individuals are excluded from the CPS unless members of unrelated subfamilies.

Public Use Computer Tapes

The data in the current report was obtained by processing the 1988 CPS public use computer tape which was issued by the Bureau of the Census and made available to the New York State Office for the Aging by the State Data Center, New York State Department of Economic Development.

Sampling Variability

The Current Population Survey is conducted annually by the U.S. Bureau of the Census using a household probability

sample representative of the nation, states and larger Metropolitan Statistical Areas. The 1988 CPS data for New York State is based on interviews using the probability sampling scheme. Approximately 4,095 households and 10,703 individuals were included in the sample.

The CPS data used in the current report is therefore subject to sampling variability which may cause (*a*) reported estimates of the population to be higher or lower than the actual number that would be determined in a full enumeration, and (*b*) differences between reported percentages due solely to the random chance drawing of the sample. Both of these types of sampling variability are measured in terms of standard errors which are calculable using statistical formulas, and constants for national data published by the Bureau of the Census.

While standard errors are not generally reported for CPS data, analysis and interpretation of the data must take into consideration the underlying variability inherent in the CPS sample. The variability associated with the New York State component of the CPS sample is larger than that for the full national sample. Preliminary analysis found that because of the large standard errors involved, distributions based on estimated populations of less than 90,000 and select subpopulation estimates of as much as 200,000 did not reveal useful information.

All distributions used in the analyses presented in the current report are based on estimated populations of at least 90,000, and typically 200,000 or more. Smaller population estimates of special interest are presented but must be interpreted with caution due to sampling variability. All distributions based on population estimates of less than 90,000 were excluded from the analysis and are not reported.

The absolute numbers of all population estimates, irrespective of size, are subject to sampling variability, and must be interpreted with caution. Caution must also be exercised in comparing population estimates and summary measures from the 1988 CPS for New York State to estimates and measures from other sources and from prior Current Population Surveys.

Non-Sampling Errors

Data from the Current Population Survey is subject to non-sampling error from a variety of sources including errors of underreporting, nonreporting or misreporting. These errors may occur due to such factors as failure to report income received from unusual sources, reluctance to report certain types of income, rounding estimates, and interviewer errors.

Underreporting and nonreporting of income is known to be more severe for some than other kinds of income. Underreporting tends to be more pronounced for income sources that are not derived from earnings, such as Social Security, income from interest and dividends, and other sources. Nonresponses on survey items regarding income are particularly high. In order that the maximum amount of information can be utilized, the Bureau of the Census imputes or allocates missing income items by values which are obtained from survey respondents with similar economic and demographic characteristics.

For further information on sampling and non-sampling sources of variability, and other information on the 1988 Current Population Survey see "Poverty In the United States 1987," (*Current Population Reports*, Series P-60, No. 167) or related publications of the U. S. Bureau of the Census.

Appendix C. Definitions

Age. Age classification is based on the age of the person at his/her last birthday at the time of the survey.

Class of Worker. This refers to the broad classification of the person's employer in the longest job held last year. This class of worker scheme includes private; government by level--Federal, State, and local; self-employed incorporated farm/nonfarm; and without pay.

Discouraged Worker. A discouraged worker is an individual who is not employed and has stopped looking for work because of unsuccessful job seeking, but still wants to work.

Dislocated Worker. A dislocated worker is an individual who is unemployed, or has been laid off or received notice of lay off, and is unlikely to return to his/her previous occupation.

Householder. The householder is the person (or one of the persons) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife.

Income. Income is the total money income before payments for personal income taxes and other deductions received by persons during the preceding calendar year from each of the following sources: (1) money wages or salary; (2) net income from nonfarm self-employment; (3) net income from farm self-employment; (4) Social Security or railroad retirement; (5) Supplemental Security income; (6) public assistance or welfare payments; (7) interest on savings or other investments which pay interest; (8) dividends, income from estates or trusts, or net rental income; (9) veteran's payment or unemployment and workers' compensation; (10) private pensions or government employee pensions; (11) alimony or child support, regular contributions from persons not living in the household, and other periodic income.

Income does not include in-kind receipts or receipts of money from: capital gains, withdrawals of bank deposits, money borrowed, taxrefunds, gifts or lump-sum inheritances or insurance payments.

Looking For Work. A person who is trying to get work or trying to establish a business or profession.

Marginal Poverty. Persons are defined as being in marginal poverty if their total family-unit income during the prior year was 100% to less than 150% of the official thresholds used by

the Bureau of the Census to statistically measure poverty. *(See Poverty.)*

Marital Status. The marital status classification identifies four major categories: single (never married), married, widowed, and divorced. These terms refer to the marital status at the time of enumeration.

Non-Worker. A person who did not work in the calendar year preceding the survey for wages, salaries or self-employment fees, and did not work without pay on a family-operated farm or business.

Occupation. The occupation of the worker in the job held longest during the preceding year, for persons who worked that year, without regard to their current employment status.

Part-Time Work. A person is classified as having worked part-time during the preceding calendar year if he worked less than 35 hours per week in a majority of the weeks in which he worked during the year. Conversely, he is classified as having worked full-time if he worked 35 hours or more per week during a majority of the weeks in which he worked.

Part-Year Work. Part-year work is classified as less than 50 weeks' work.

Pension Plan. The pension plan question on the March 1988 CPS attempted to identify if pension plan coverage was available through an employer or union and if the employee was included. This information was collected for civilian persons 15 years old and over who worked during 1987.

Phased Retirement. Phased retirement is a discrete and voluntary human resource practice or option. It enables employees to reduce their regular work schedules during the period preceding full retirement, through shortened workdays, workweeks or workmonths, seasonal or sabbatical-type leaves, or special work contracts.

Poverty. Persons whose total family-unit income during the prior year was below the official statistical poverty thresholds used by the Bureau of the Census are defined as being in poverty (or below the poverty level). A total of 48 thresholds are used to define poverty, based on the number of related adults and children in the family-unit, and for one and two persons units, whether the householder is aged 65-plus or under 65 years of age. The poverty threshold for a person aged 65-plus living alone in 1987 was $5,447.

Self-Employed. Self-employed persons are those who work for profit or fees in their own business, profession or trade, or operate a farm.

Wage and Salary Workers. Wage and salary workers receive wages, salary, commission, tips, or pay in-kind from a private employer aor from a governmental unit. Also included are persons who are self-employed in an incorporated business.

Weeks Worked In the Income Year. Persons are classified according to the number of different weeks, during the preceding calendar year, in which they did any civilian work for pay or profit (including paid vacations and sick leave) or worked without pay on a family-operated farm or business.

Work Experience. Includes those persons who during the preceding calendar year did any work for pay or profit or worked without pay on a family-operated farm or business at any time during the year, on a part-time or full-time basis.

Worker. A person who worked for salary, wages or self-employment fees during the calendar year preceding the survey, or who worked without pay on a family-operated farm or business.

Year-Round Full-Time Worker. A year-round full-time worker is one who usually worked 35 hours or more per week for 50 weeks or more during the preceding calendar year.

Years of School Completed. Data on years of school completed are derived from the combination of answers to questions concerning the highest grade of school attended by the person and whether or not that grade was completed.

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